

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5th Floor
Columbia, South Carolina 29201

June 20, 2016 – 10:30 a.m.

Commission Hearing Room A

This meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act.

- | | |
|---|--|
| 1. CALL TO ORDER | <i>CHAIRMAN BECK</i> |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING
OF JUNE 20, 2016 | <i>CHAIRMAN BECK</i> |
| 3. APPROVAL OF MINUTES OF THE BUSINESS MEETING
OF MAY 16, 2016 (Tab 1) | <i>CHAIRMAN BECK</i> |
| 4. GENERAL ANNOUNCEMENTS | <i>MR. CANNON</i> |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | <i>MR. SMITH</i> |
| 6. DEPARTMENT DIRECTORS' REPORTS
Human Resources (Tab 3)
Information Services (Tab 4)
Insurance and Medical Services (Tab 5)
Claims (Tab 6)
Judicial (Tab 7) | <i>MS. OSBORNE
MS. SPRANG
MR. DUCOTE
MR. CANNON
MR. CANNON</i> |
| 7. EXECUTIVE DIRECTOR'S REPORT (Tab 8)
Administration – Financial Report (Tab 9) | <i>MR. CANNON
Mr. Cannon</i> |
| 8. OLD BUSINESS | <i>CHAIRMAN BECK</i> |
| 9. NEW BUSINESS | <i>CHAIRMAN BECK</i> |
| 10. ADJOURNMENT | <i>CHAIRMAN BECK</i> |

Table of Contents

1	Approval of Minutes of the Business Meeting of May 16, 2016
2	Self-Insurance
3	Human Resources
4	Information Services
5	Insurance and Medical Services
6	Claims
7	Judicial
8	Executive Director's Report
9	Summary of Revenues and Expenditures

THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, May 16, 2016

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, May 16, 2016, at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present:

T. SCOTT BECK, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
R. MICHAEL CAMPBELL, II, COMMISSIONER
MELODY L. JAMES, COMMISSIONER
GENE MCCASKILL, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were: Gary Cannon, Executive Director; Amy Bracy, Judicial Director; Wayne Ducote, Coverage & Compliance Director; Grant Duffield, Insurance, Medical & Administrative Services Director; Alicia Osborne, Human Resources Manager; Keith Roberts, Attorney; Marlene Johnson-Moore, Law Intern; W.C. Smith, Self-Insurance Director; Sonji Spann, Claims Director; Sandee Sprang, IT Director; and, Business Analyst. Marti Bluestein, Injured Workers' Advocates, was also present.

Chairman Beck called the meeting to order at 10:36 a.m.

AGENDA

Commissioner Barden moved that the agenda be approved. Commissioner James seconded the motion, and the motion was approved.

APPROVAL OF MINUTES – BUSINESS MEETING OF APRIL 18, 2016

Commissioner Barden moved that the minutes of the Business Meeting of April 18, 2016 be approved. Commissioner McCaskill seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

Mr. Cannon announced the following:

- The Employee Appreciation Luncheon will be held at Noon today in the First Floor Conference Room;
- The work session to review proposed amendments to Commission regulation, Chapter 67, is Tuesday, May 17, at 1:30 p.m., in the First Floor Conference Room; and
- May 20, 2016 will be Grant Duffield's last day working with the Commission. On April 12, he tendered his resignation from the Commission to accept a position as Executive Director of the City of Charlottesville Redevelopment and House Authority in Charlottesville, VA. Mr. Cannon offered great appreciation for Mr.

Duffield and for his service to the Insurance, Medical and Administrative Services Department, the Commission, and to the citizens of South Carolina.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Twenty-one (21) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund

Green Link Wood Industries Inc.

SC Home Builders SIF

A.B. Saunders, LLC
ALLPRO Painting Contractors
CAMB Stucco, LLC
Carolina Granite, LLC
Colonial Masonry, LLC
Donald Buzzard
Gambrell's Carpet & Vinyl
Goodwin Foust Custom Homes, LLC
JAMG & Co., LLC
J&L Estrada
K&B Cleaning
Lee Electrical Enterprises, LLC
L&P Services, LLC
Nicholas Childs
On-Site Builders of Joanna, LLC
PII Campbell Construction
Quality Construction
Ted Traffic Construction, LLC
The Paint Store, LLC
Wallace Davis

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure, and Commissioner Taylor seconded the motion. The motion was unanimously approved.

DEPARTMENT DIRECTORS' REPORTS

The Department Directors presented their reports which were also submitted to the Commission in written form.

Human Resources Department

Alicia Osborne presented the Human Resources report for the period of April 14 through May 11, 2016. Ms. Osborne announced Wayne Ducote, Coverage and Compliance Director, was promoted for the Director of Insurance and Medical Services position. Mr. Ducote will begin his new responsibilities on May 23, 2016.

Information Technology Department

Sandee Sprang presented the Information Services Department's report. Ms. Sprang pointed out the following highlights from the report:

- The Virtualization Project is progressing well. Test data has been loaded into the development area and she anticipates roll-out next month.
- IT worked with EDI trading partners to research and resolve EDI transactional data errors.
- System changes for the new Motion Order were completed and implemented.
- Standard business processes for capturing pre-hearing conference information were completed and implemented on May 1, 2016.
- Produced statistics for Governor's progress report.
- There were no unplanned system outages in April.
- The modernization of the eCase web portal system is at 90% completion. IT has begun the testing phase and is currently working with internal users.
- IT continues to assist with the coordination of office renovations.
- IT has requested quotes for hardware to improve the wireless network.

Chairman Beck asked if IT has communicated with the appropriate persons regarding a technical outage the Commission experienced a couple of months ago. Ms. Sprang stated she has communicated with DTO about notification of anticipated technical outages and provided them with the Commission's business meeting schedule.

Insurance, Medical & Administrative Services Department

Grant Duffield presented the Insurance, Medical & Administrative Services Department's report. Mr. Duffield reported the Medical Services Division is beginning the process for the 2016 Medical Service Provider Manual (MSPM) update. Year to date, the Compliance Division has compelled 277 employers in South Carolina to come into compliance with the Act. For the month of April, the Compliance Division collected \$63,168 in fines and penalties. Year to date, the Compliance Division has collected \$796,602 in fines, which is 88% of prior year total collection. Year to date, the Coverage Division has created 20,394 Claim files, which is 86% of claim file volume of prior year. The Coverage Division collected \$16,600 in fine revenue in April. Coverage fines are at 68% of collections for prior year. Year to date, Self Insurance tax revenue is trending at 98% of prior year.

Mr. Duffield presented the Summary of Revenues and Expenditures for the period ended April 30, 2016. The benchmark for period ended April 2016 is 83.3%. He noted there were three payrolls posted in the month of April. Total expenditures are at 83.3%, Earmarked Revenue Earned is at 85.9%, and Draw on Fund Balance is at 85.0% of budget.

Mr. Duffield expressed his feeling of deep appreciation for the opportunity to be a part of the work of the S.C. Workers' Compensation Commission. He said he appreciated the education in workers' compensation and valued the personal growth and development afforded him. The Commissioners thanked him for his service and wished him success in his new job.

Claims Department

Ms. Spann reported the following for the month of April 2016:

- Closed 2,272 individual case files
- Received \$55,700 in fine revenue
- Claims examiners reviewed 2,958 individual case files

- 271 fines assessed
- 240 Form 18 fines assessed
- 12,316 forms processed
- 1,148 Form 18s processed through SRO1
- 1,816 Form 18s received via Email
- 1,688 forms received via USPS

Judicial Department

Amy Bracy reported the following for the month of April 2016:

- 71 Single Commissioner Hearings conducted
- 9 Full Commission Hearings conducted
- 252 informal conference cases
- 75 regulatory mediations scheduled
- 14 requested mediations
- 59 matters resolved in mediation with the receipt of Forms 70

Ms. Bracy reported she held a follow-up meeting with the Commissioners' administrative assistants on April 20, 2016 to finalize the new business processes established to standardize collection of data.

Ms. Bracy reported Pickens County Courthouse has been added to the Commission's list of available venues for Hearings. She will follow-up with the Lancaster Clerk of Court for potential Hearing venues.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He pointed out the following highlights from the report:

Commissioner Reappointments

Mr. Cannon announced the reappointments of Commissioner Melody James and Commissioner Susan Barden for terms beginning July 1, 2016 through June 30, 2022.

FY 2016-17 Budget

Mr. Cannon reported the FY 2016-17 Budget is still under consideration.

Office Renovations

Mr. Cannon announced Phase I of the office renovations will begin on May 18. Phase I includes the Executive Director's office area and Insurance and Medical Services.

Claims Administration Workshop

Mr. Cannon announced the Claims Administration Workshop will be held on May 20. As of today, the total number of registrants is 132. The workshop has been approved for 4.74 CLE credit hours.

Personnel

Mr. Cannon announced that Wayne Ducote, Coverage and Compliance Director, was promoted to Director of Insurance and Medical Services. Recruiting has begun for the Coverage and Compliance Director position.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Commissioner Campbell made the motion to adjourn. Commissioner Wilkerson seconded the motion, and the motion was approved.

The May 16, 2016 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:01 a.m.

Reported June 20, 2016
Kim Ballentine
Office of the Executive Director

MEMORANDUM

Date: June 15, 2016

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of May 12 through June 15, 2016

Below is a summary of the Human Resources activity for the period of May 12 through June 15, 2016.

Workers' Compensation

- Ongoing Workers' Compensation Injuries
 - Three open claims

Employee Relations

- Meetings
 - Counseled (20) staff regarding concerns
 - Clarified policies and procedures
- Reorganization
 - Records Division is now located in Claims
 - Mail Division is now located under Judicial
- Talent Search
 - Posted one job
 - Administrative Specialist II
 - 80 applicants
 - 3 interviewed
 - Hired Mary Crawford effective June 13, 2016

Separations

- IMS
 - Grant Duffield – May 20, 2016
 - Breanne Jolly – June 24, 2016

Renovations

- Phase 1A and 1B – Completed
 - May 23 and June 10
- Phase 2A is completed; Phase 2B to be completed on or about June 27th.
 - June 13 and ~June 27
- Phase 3 – 5 in planning stages now

Fiscal Responsibilities

- 160 approvals – Financial documents; expense reports

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Notified staff of arrears/deductions not taken

- Ran SCEIS Wage Type Report
 - No discrepancies unaccounted for
- Time Administration
 - Unapproved Leave Report
 - Notified staff of pending leave that needed to be approved
 - Approved leave for (4) supervisors that requested approval
 - Missing Time Report
 - Notified six (6) supervisors of missing time
 - Notified seven (7) staff members of missing time
- Reviewed/updated reports as requested by the Executive Director

CBRE

- Notified CBRE of building concerns (1)

SCEIS

- Keyed (5) action items

Training

- Cyber Security Training Update
 - Completed – 91%
 - In Progress – 0%
 - Not Started – 9% (Employees notified of training)

Miscellaneous

- Meeting(s)
 - (6) Building Renovations
 - IIR Advisory
 - Training – Mediation/Appeals
- Policy Reviews and Revisions
- Planning, coordinating, and overseeing office renovations

State of South Carolina

1333 Main St, Suite 500
P O Box 1715
Columbia, S C. 29202-1715



Tel (803) 737-5700
Fax (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: June 15, 2016
Subject: IT Department June 2016 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during May 2016. The first section, "Systems Operation, Maintenance and Support", details the work related to keeping our current production systems up and running. The second section, "Projects, Enhancements and Development", highlights the activities related to new projects and tasks which bring added functionality to our systems. The last section documents the IT Department's "Training and Meeting" accomplishments.

I. Systems Operations, Maintenance and Support

Virtualization

Duane continues to lead the effort with DTO to upgrade our hardware and software to a virtualized environment. Major milestones accomplished last month include:

- 1) Resolved failure to connect to servers as a remote user for Bravepoint developers with DTO, and
- 2) Resolved failure of the OpenEdge Web Client to connect to database at the server level with Bravepoint.

EDI

Amanda and Duane worked with EDI trading partners to research and resolve EDI transactional data errors. They continue to work with the IAIABC EDI Claims Workgroup, reviewing and recommending standard changes.

Reporting and Standardization

During May, we produced the last interim statistics for the Governor's Office and will generate these reports on a scheduled, semi-annual basis. We continue to work on sustainable production reporting processes, improving the quality of the data through well-defined data entry processes, building consistency into the processes, and reducing errors which in turn yields highly accurate data and reports.

Systems Support

The Progress system had a few data errors resulting in slow response times for users. Duane corrected these and the system performance is back to an acceptable level.

Desktop Support

Our HelpDesk support calls consisted of the following requests:

1. Password Assistance: 16 Helpdesk calls - Internal Users
2. Hardware Assistance: 59 Helpdesk calls - Internal Users
3. OnBase Errors: 26 Reported Issues
4. E-Case Support: 23 Helpdesk calls - External Users
5. Secure E-Mail: 14 Helpdesk calls - External Users

II. Projects, Enhancements and Development

eCase

The eCase web portal upgrade is in the testing phase. Amanda created 23 Use Cases, which are the different scenarios used for evaluating the accuracy and functionality of the new system. To date, we have reported 46 issues in total, 37 of which have been resolved. We are approximately 75% complete.

Office Renovations

The IT department spent a large portion of time working on the office renovation project.

Hardware Upgrades

We have several hardware upgrade projects in process:

- 1) Our wireless network hardware quotes have been requested. We are hoping to procure these as part of our renovation project.
- 2) We are continuing to meet with vendors on the State's VoIP telephone contract to determine which vendor can best meet our needs within our current budget. In August, we will have a demo of a different system for users to evaluate.

Video Conferencing

This project is on our list of priorities and will gain momentum once the time-constrained priorities are completed.

III. Trainings and Meetings

Sandee attended 3 security and privacy meetings and continues to work with DTO to obtain a virtual CISO.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 15-Jun-16

Subj: Insurance, Medical and Administrative Services Department
May 2016 Full Commission Report

Please find attached information provided to summarize the status and workflow of initiatives currently underway within the Insurance and Medical Services (IMS) Department.

In addition to the statistical data provided, please be advised of the following:

- | | |
|---------------------|---|
| Compliance Division | <ol style="list-style-type: none">1. Reviewing revenue metrics / projections.2. Working with IT to review debt collection process.3. Exploring additional stakeholder education opportunities |
| Coverage Division | <ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision. |
| Medical Services | <ol style="list-style-type: none">1. Continue work on pharmaceutical payment disputes involving SAF.2. In the beginning phases of the review and update of the Medical Services provider Manual. |

While this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can provide concerning our performance and direction.

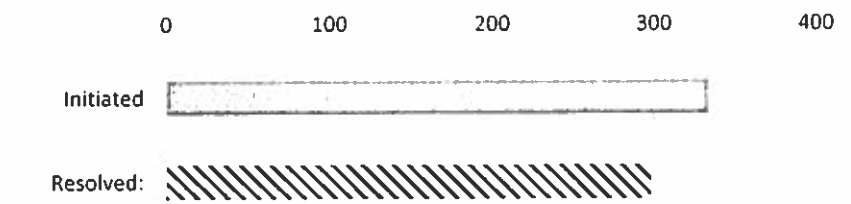
Employers Obtaining Coverage

The Compliance Division works with great diligence to help uninsured employers become compliant with the South Carolina Workers' Compensation Act. Year to date, the Compliance Division has compelled **298** employers in South Carolina to come into compliance with the Act. In so doing, approximately **2,771** previously uninsured workers are now properly covered.

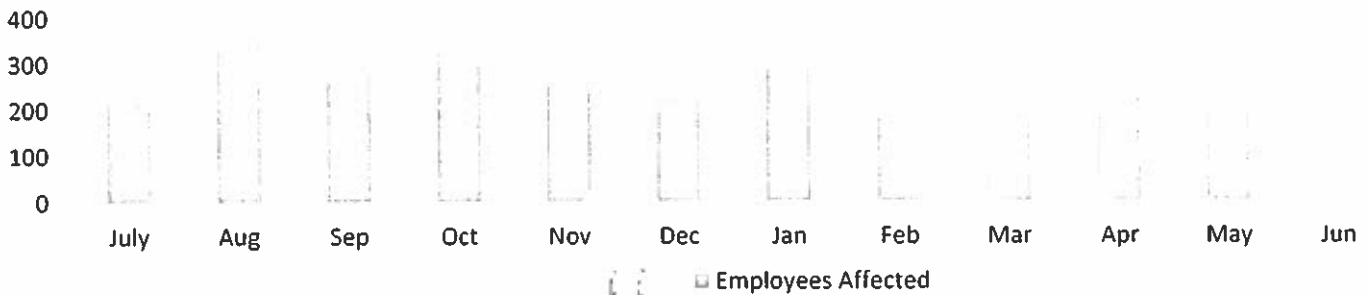
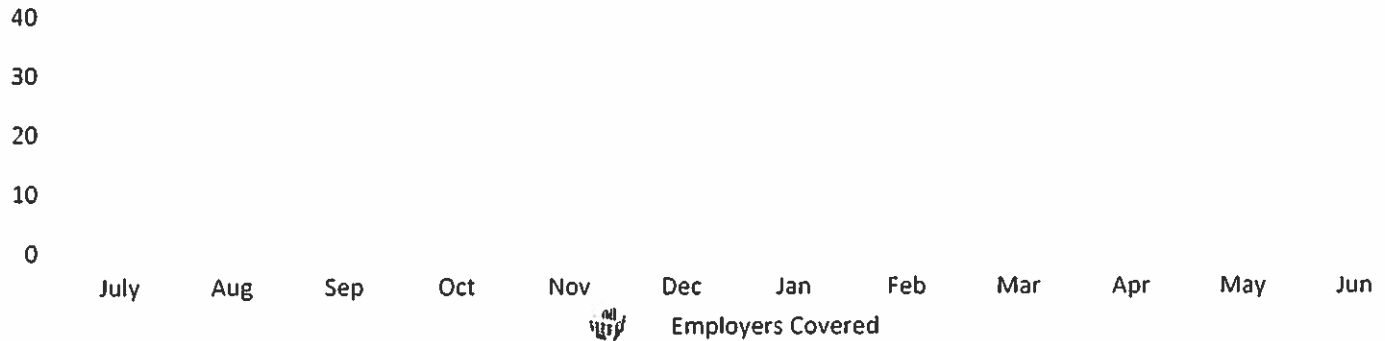
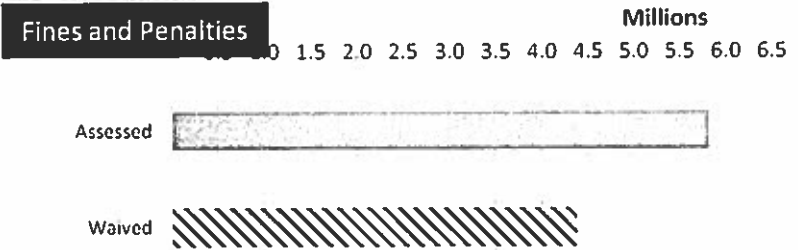
Penalties Waived

Although the Division has assessed \$ 5.8m in fines, 75% of those fines (\$4.3m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC Cases



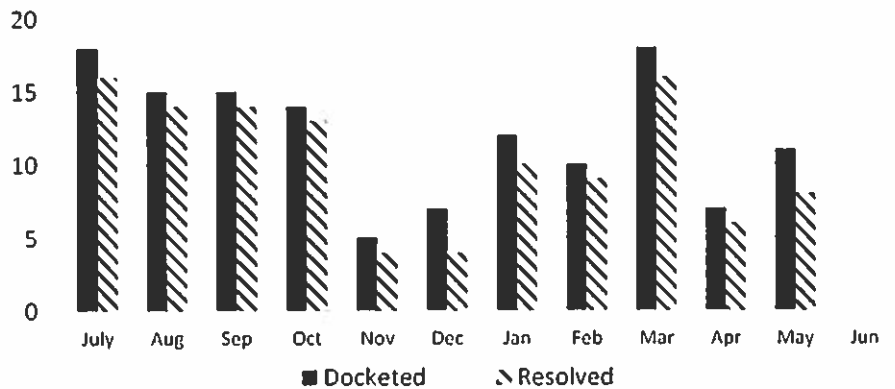
Fines and Penalties



Carrier Rule to Show Cause Hearings

The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of May 2016, 11 carrier RTSC cases were docketed; 8 cases were resolved and \$3,000 was recovered.

Year to date, 132 carrier RTSC cases have been docketed, 114 cases have resolved and \$174,991 has been recovered.



Carryover Caseload:

The Compliance Division closed May 2016 with 251 cases active, compared to an active caseload of 368 at the close of May 2015.

Cases Resolved:

For the month of May 2016, Compliance Division staff closed-out 144 cases.

Compliance Fines:

In May 2016, the Compliance Division collected \$52,148 in fines and penalties. Year to Date, the Compliance Division has collected \$849,020 in fines.

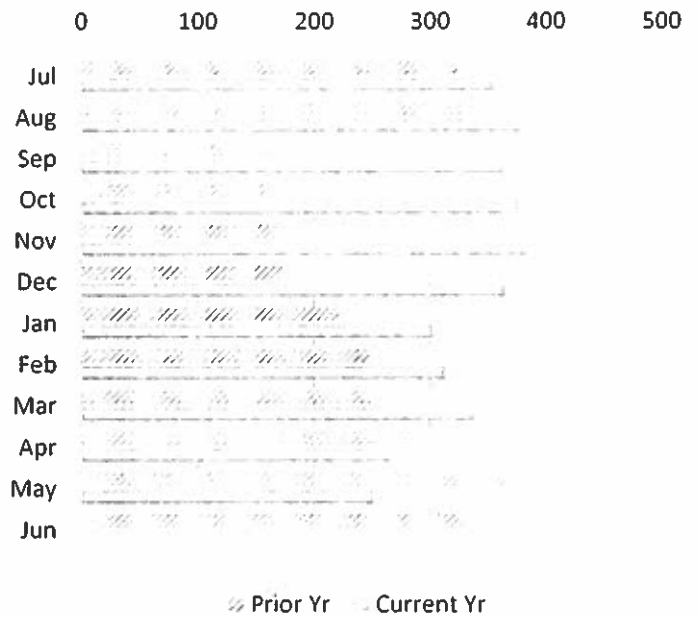
Year to Date vs Prior Year Total (906,833): 94%.

May 2016 vs. May 2015: 55%

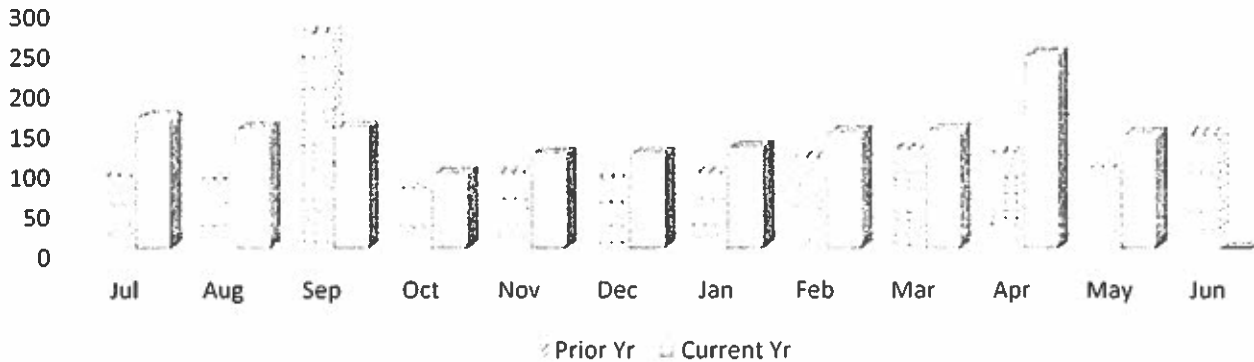
Current Year End trend is 102% of 2014-2015.

YTD 2015-16 (July - May) vs YTD 2014-15: 107%

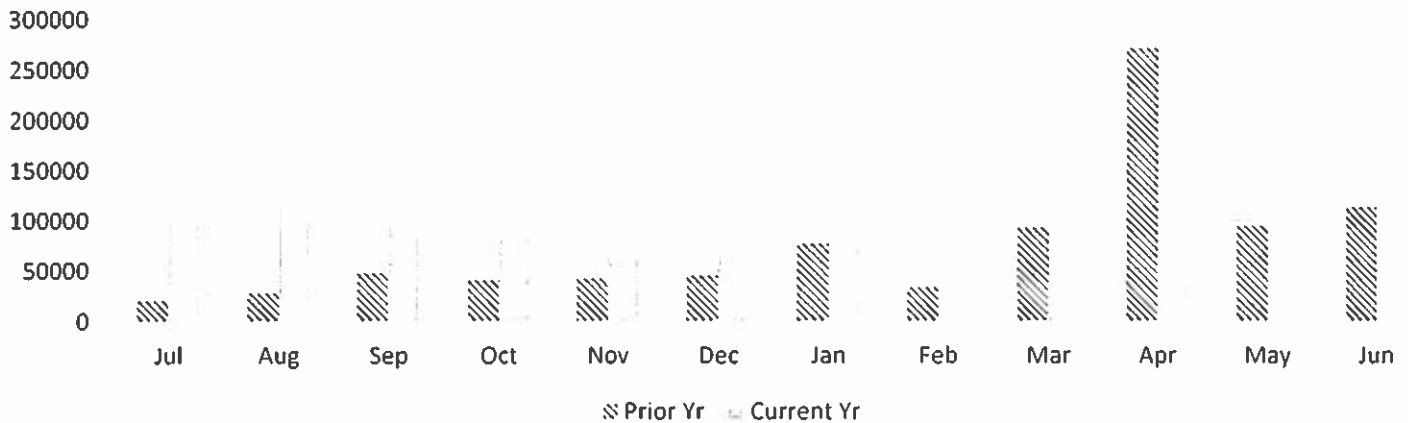
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year



WCC Claim Files:

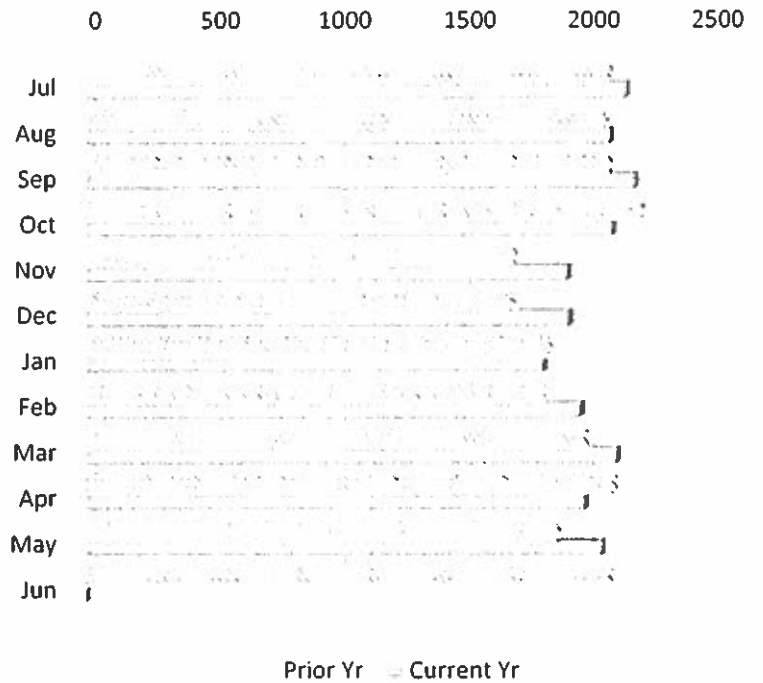
In May 2016, the Coverage Division received a total of 2,065 WCC Claim files. Of these, 1,782 were created through proper carrier filing of a 12A, and 283 were generated as a result of a Form 50 claim filing. Year to Date, 22,459 Claim files have been created which is 95% of claim file volume prior year (23,682).

Coverage Fines:

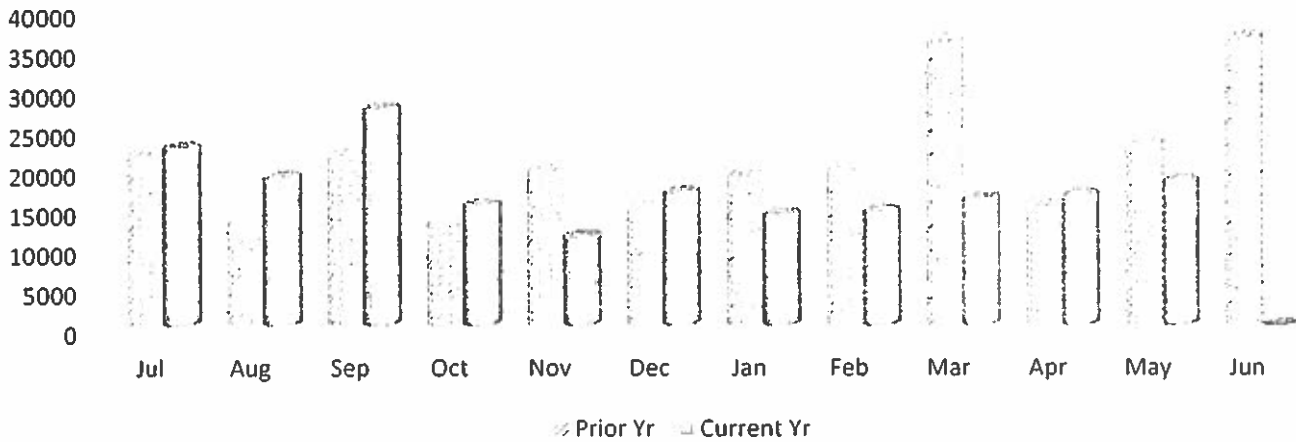
The Coverage Division collected \$18,400 in fine revenue in May 2016, as compared to \$23,000 in Coverage fines/penalties accrued during May 2015. Year on Year, Coverage fines are at 76% of collections for prior year.

Coverage Division fines represent 8% of the Commission's annual earmarked budget.

Coverage Files Created vs Prior Year



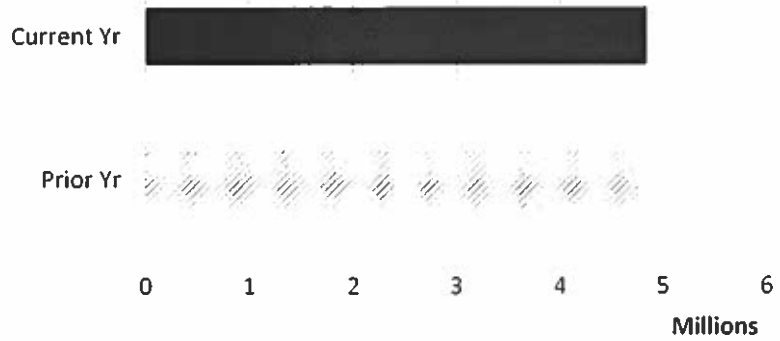
Coverage Fines Collected v Prior Year



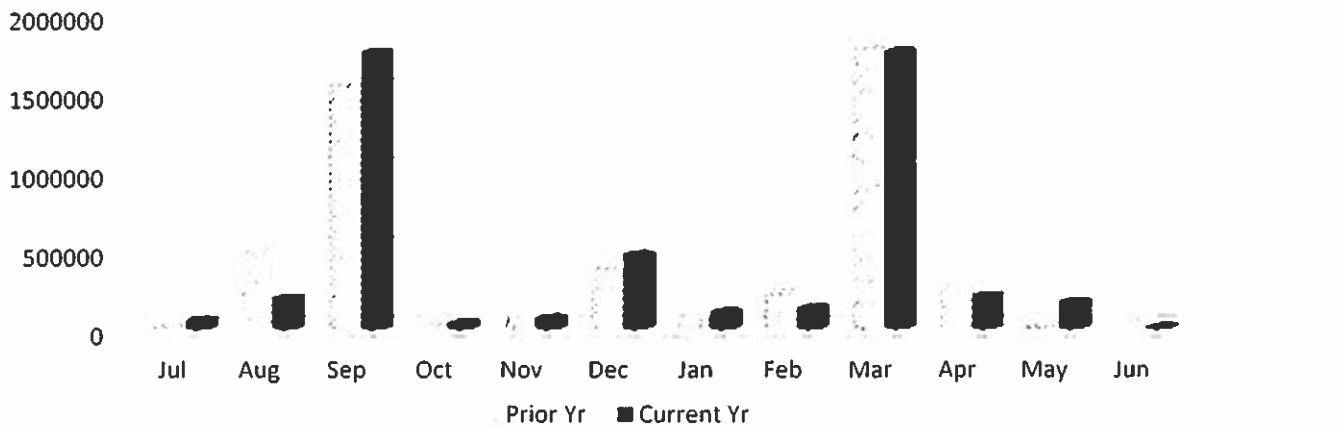
During the month of May 2016, the Self Insurance Division:

- * collected \$159,483 in self-insurance tax.
- * added 21 new self-insurers.
- * conducted 5 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 102% of prior year and 47 Self Insurance audits have been completed.



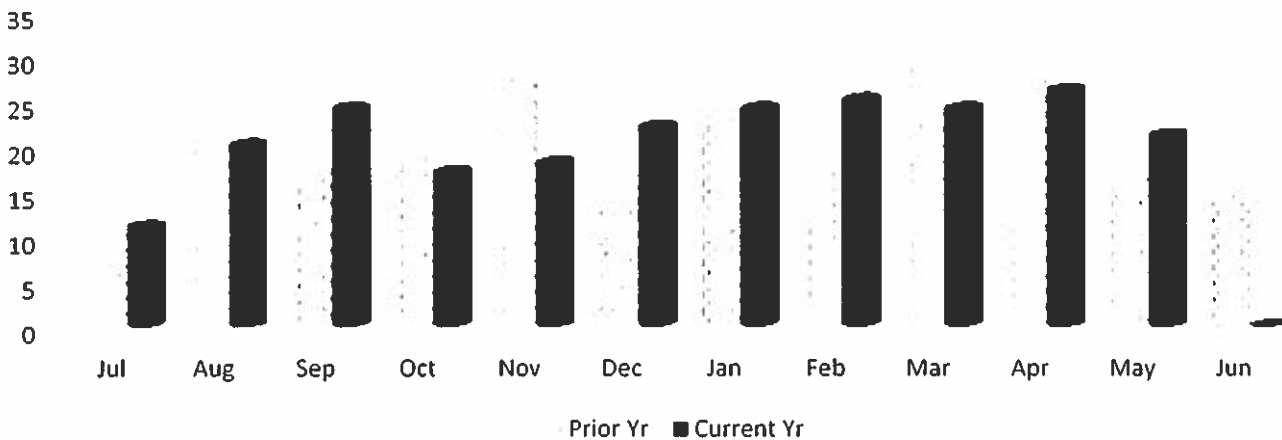
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In May 2016, the Medical Services Division began the month with 26 bills pending review, received an additional 15 bills for review, conducted 20 bill reviews and ended the month with 21 bills pending.

Medical Bills Pending Review v. Prior Year



State of South Carolina

1333 Main Street, 5th Floor
P O Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
www.wcc.sc.gov

Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: June 13, 2016

Re: Claims Department –June 2016 Full Commission Report

Please find attached information provided to summarize key workflow benchmarks related to the functions of the Claims Department. In addition to the statistical data provided herein, please note the following information:

	May 2016	April 2016	May 2015
Individual Case Files Closed	2,249	2,272	2,259
Fine Revenue Collected	\$53,800	\$55,700	\$74,750
# of individual case files reviewed by examiners	2955	2958	1066
Total Fines	316	271	390
Form 18 Fines	250	240	366
Total Forms Processed	12,544	12,316	12,838
SROI	1237	1148	
Email 18's	1846	1816	1621
USPS	1571	1688	3013

- Claims continue to review files for compliance and closure (this has caused an increase in manual fines)
- Claims continue to educate the stakeholders

Five Year Claims Fine Collection History

FY 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2011-2012	111,875	103,800	83,300	81,300	85,100	110,700	126,700	120,225	116,915	100,200	61,050	90,450
2012-2013	80,825	69,100	57,075	91,925	64,825	65,950	60,550	79,875	67,000	56,650	47,550	48,500
2013-2014	42,350	21,900	35,050	110,350	57,425	50,900	27,000	38,550	73,100	45,350	52,550	31,200
2014-2015	43,300	42,100	51,650	55,100	44,750	49,900	44,700	77,100	90,200	52,250	74,750	124,800
2015-2016	69,250	53,350	56,200	42,800	34,200	39,800	41,400	48,250	55,400	55,700	53,800	

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2015-2016

Prepared June 2, 2016

I. Claims Services Division

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15-I	1,186	1,208	1,273	1,219	1,152	1,156	1,086	1,154	1,400	1,257	1,295		13,386
Forms 15-II/Forms 17	903	931	981	977	804	790	867	815	1,059	1,039	963		10,129
Forms 16 for PP/Disf	239	250	241	222	278	229	250	228	254	213	277		2,681
Forms 18	4,632	4,648	4,971	4,848	4,350	4,701	4,468	4,629	5,301	4,642	4,654		51,844
Forms 20	839	723	935	862	754	768	766	854	895	790	887		9,073
Form 50 Claims Only	299	310	288	286	273	245	301	359	305	276	290		3,232
Form 61	711	734	693	731	751	763	764	743	827	765	835		8,317
Letters of Rep	222	198	240	205	184	202	221	238	191	201	198		2,300
Clinchers	810	812	801	739	889	903	841	747	809	768	802		8,921
Third Party Settlements	32	36	35	28	26	25	22	18	23	21	27		293
SSA Requests for Info	90	98	56	79	70	58	54	55	85	72	67		784
Cases Closed	2,358	2,355	2,613	2,028	2,069	2,022	2,198	2,186	2,594	2,272	2,249		24,944
Cases Reviewed	845	703	907	240	462	831	1,330	1,978	3,126	2,958	2,955		16,335
Total	13,166	13,006	14,034	12,464	12,062	12,693	13,168	14,004	16,869	15,274	15,499	0	152,239

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2015 - 2016

Prepared June 2, 20

Fines per Form

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Assessed Form 15I	15	5	14	4	3	4	13	9	2	12	28		109
Assessed Form 15II	11	3	4	4	4	0	5	9	2	2	1	11	14
Assessed Form 15S	1	0	0	0	0	0	0	0	0	0	0	0	1
Assessed Form 17	1	4	5	5	1	2	2	1	1	1	3	4	25
Assessed Form 18	315	273	288	266	266	310	266	300	302	240	250		3073
Assessed Form 19	0	0	0	0	0	0	0	0	0	0	1	0	1
Assessed Denial Letter	9	8	4	4	4	0	5	3	0	0	0	3	39
Assessed Requests	3	3	1	0	0	2	4	2	13	14	20		64
Paid Form 15I	\$2,600	\$2,000	\$1,400	\$1,000	\$1,400	\$800.00	\$200	\$2,200	\$1,400	\$200	\$2,000	\$200	\$ 15,200
Paid Form 15II	\$800	\$600	\$800	\$1,200	\$800	\$200	\$600	\$1,600	\$400	\$600	\$600	\$600	\$ 8,200
Paid Form 15S	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 200
Paid Form 17	\$200	\$200	\$1,000	\$200	\$200	\$200	\$200	\$0	\$200	\$400	\$200	\$200	\$ 3,000
Paid Form 18	\$64,850	\$48,550	\$52,000	\$39,900	\$30,200	\$37,200	\$40,400	\$43,800	\$52,000	\$53,300	\$49,800		\$ 512,000
Paid Form 19	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$50	\$0.00	\$0	\$0	\$0	\$ -
Paid Denial Letter	\$200	\$800	\$800	\$500	\$1,200	\$800.00	\$0.00	\$600	\$200	\$200	\$200	\$0	\$ 5,300
Paid Request	\$600	\$1,000	\$200	\$0	\$400	\$600.00	\$0.00	\$0.00	\$1,200	\$1,000	\$1,200	\$1,200	\$ 6,200

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2015 - 2016

Prepared June 2, 2016

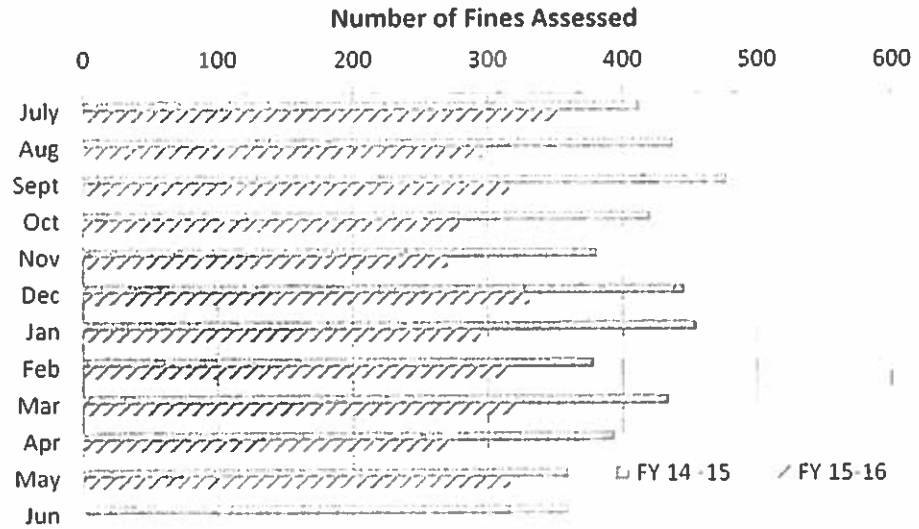
II. Total Fines Assessed by Claims Department

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
# Assessed	355	296	316	279	270	330	294	315	322	271	316		3,364
# Rescinded	37	28	35	32	24	12	17	17	28	30	21		281
# Reduced	1	0	0	0	0	1	0	0	1	0	0		3
# Paid	341	260	271	203	168	195	205	241	273	245	247		2,649
# Outstanding*	922	930	940	984	1,062	1,185	1,257	1,314	1,335	1,331	1,379		12,639
Total Amt. Assessed	\$71,050	\$63,600	\$66,000	\$57,000	\$54,000	\$67,600	\$59,400	\$63,000	\$79,200	\$67,050	\$63,600		711,500
Total Amt. Rescinded	\$7,400	\$7,200	\$7,000	\$6,400	\$4,800	\$2,300	\$3,400	\$3,400	\$11,200	\$6,000	\$4,200		63,300
Total Amt. Reduced	\$100	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$500	\$0	\$0		700
Net Assessed													
Total Amt. Paid	\$69,250	\$53,350	\$56,200	\$42,800	\$34,200	\$39,800	\$41,400	\$48,250	\$55,400	\$55,700	\$53,800		550,150
Total Outstanding*	\$181,050	\$184,100	\$186,900	\$194,700	\$209,700	\$235,100	\$249,700	\$261,050	\$273,150	\$278,500	\$284,100		261,050

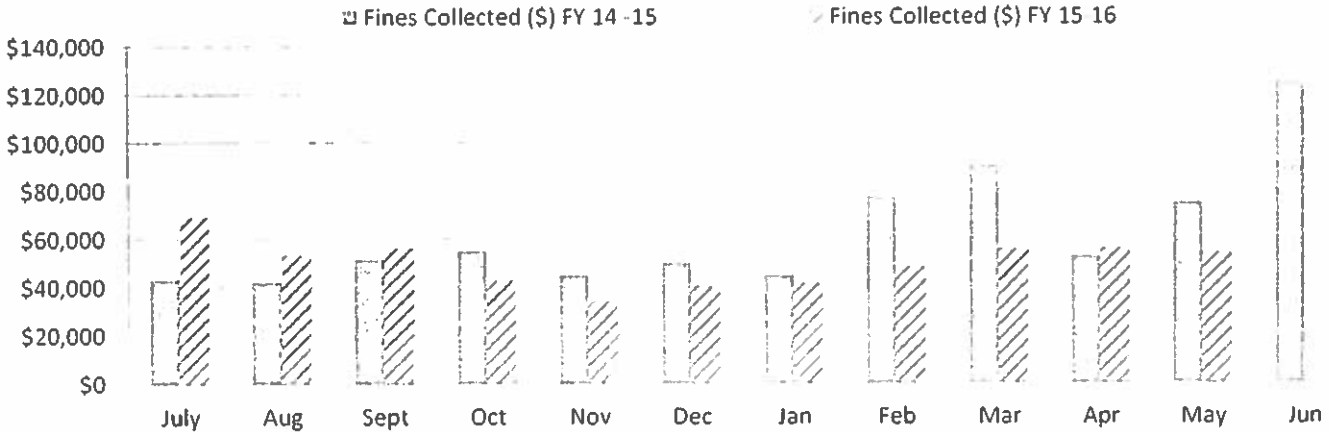
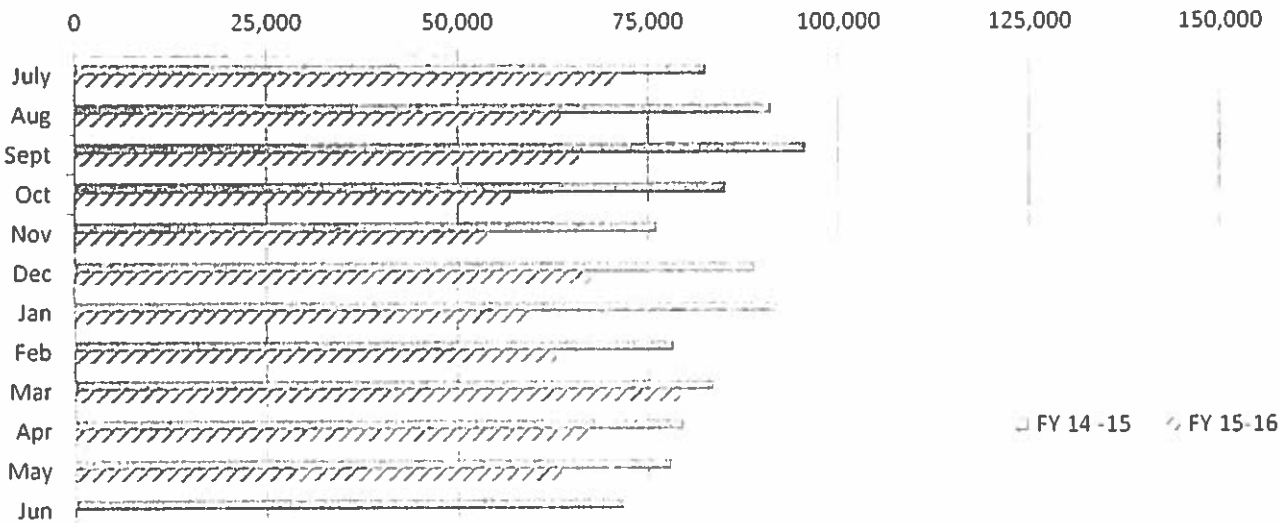
CLAIMS DEPARTMENT - Fine Activity Report May 2016

The number of fines assessed by the Claims Department increased in number to 316 from 271 in May. The number of Claims fines paid increased from 245 in April to 247 in May.

Total fine dollars assessed in May was \$63,600 a decrease over prior month of \$67,050. Fine revenue received in May was \$53,800 a decrease over prior month \$55,700.



Net Fines Assessed (\$)



Claims Department - Fine Activity Report

Fines Assessed (#)

	FY 14 -15	FY 15-16
July	413	355
Aug	438	296
Sept	478	316
Oct	421	279
Nov	381	270
Dec	446	330
Jan	455	294
Feb	378	315
Mar	434	322
Apr	394	271
May	390	316
Jun	359	0
Total	4,987	3,364
Mo Avg	416	305

Fines Received (#)

	FY 14-15	FY 15-16
July	198	341
Aug	205	260
Sept	254	271
Oct	259	203
Nov	234	168
Dec	245	195
Jan	224	205
Feb	368	241
Mar	423	273
Apr	234	245
May	363	247
Jun	604	0
Total	3,611	2,649
Mo Avg	301	240

Net Fines Assessed (\$)*

	FY 14 -15	FY 15-16
July	82,650	71,050
Aug	91,250	63,600
Sept	95,700	66,000
Oct	85,200	57,000
Nov	76,200	54,000
Dec	89,200	67,600
Jan	92,100	59,400
Feb	78,400	63,000
Mar	83,600	79,200
Apr	79,700	67,050
May	78,100	63,600
Jun	71,800	0
Total	1,003,900	711,500
Mo Avg	83,658	64,681

Fines Collected (\$)

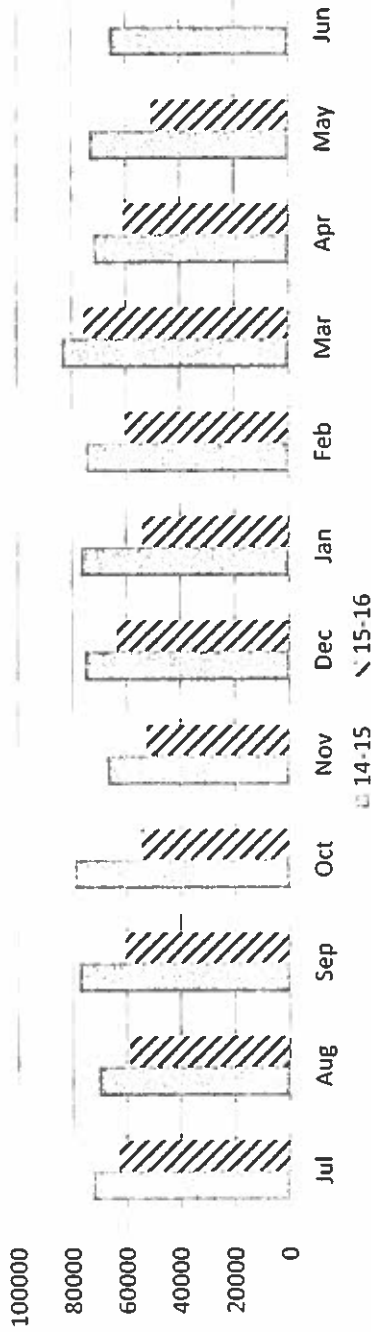
	FY 14 -15	FY 15-16
July	\$43,300	69,250
Aug	\$42,100	53,350
Sept	\$51,650	56,200
Oct	\$55,100	42,800
Nov	\$44,750	34,200
Dec	\$49,900	39,800
Jan	\$44,700	41,400
Feb	\$77,100	48,250
Mar	\$90,200	55,400
Apr	\$52,250	55,700
May	\$74,750	53,800
Jun	\$124,800	0
Total	750,600	550,150
Mo Avg	62,550	50,013

*after reductions and rescinded

FORM 18 FINE ASSESSMENTS

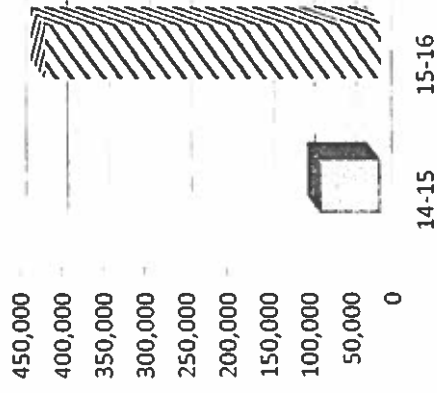
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of May 2016, this has resulted in an decrease in Form 18 Fine Assessments to \$50,400 as compared to April 2016 of \$60,800. The actual number of fines assessed increased from 240 to 250 in May 2016.



FORM 18 FINE ASSESSMENTS YTD

Form 18 Fine Assessment is trending at 86% of prior year assessments.



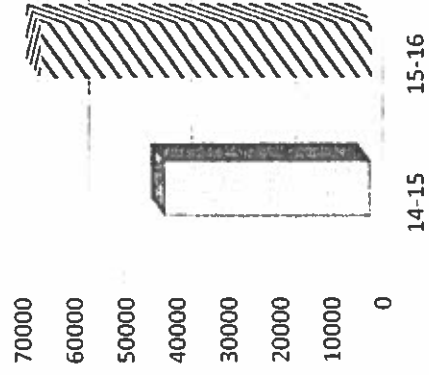
FORM 18 FINE COLLECTION

In May 2016, the Claims Department received payment on Form 18 Fines resulting in revenue of \$49,800.



FORM 18 FINE REVENUE YTD

Form 18 Fine Revenue is trending at 160% of prior year collections.



State of South Carolina

1333 Main Street
P.O. Box 1715
Columbia, S.C. 29202-1715



Tel (803) 737-5700
Fax (803) 737-5768
www.wcc.sc.gov

Workers' Compensation Commission

June 10, 2016

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for May 2016**

There were one hundred one (101) Single Commissioner Hearings conducted during the past month, and there were ten (10) Full Commission hearings held in May.

The Informal Conference system conducted two hundred twenty-five (225) hearings during the last month.

There were sixty (60) regulatory mediations scheduled and twenty-seven (27) requested mediations. The Judicial Department was notified of fifty-nine (59) matters resolved in mediation, with the receipt of Forms 70.

**Judicial Department Statistical Report
Statistics For Fiscal Year 2015-2016**

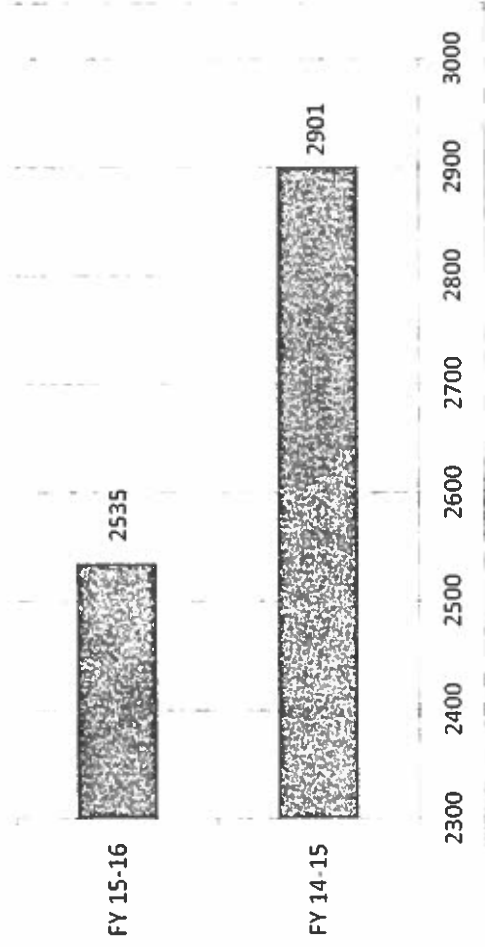
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Totals YTD 2015-2016	Totals YTD 2014-2015
Claimant Pleadings	623	693	628	665	459	622	627	593	682	539	580		6,711	6,603
Defense Response to Pleadings	561	522	569	580	431	537	468	439	564	475	534		5,680	5,308
Defense Pleadings	267	313	293	302	222	282	253	303	373	297	320		3,225	3,091
Motions	141	134	142	124	102	98	111	110	126	137	113		1,338	1,170
Form 30	30	24	19	11	19	24	11	35	27	22	26		248	255
FC Hearings Held	16	5	16	10	14	11	11	14	10	9	10		126	137
FC Orders Served	11	7	20	11	10	14	12	20	12	9	17		143	156
Single Comm. Hearings Held	109	91	118	104	103	122	99	105	92	71	101		1,115	1,080
Single Comm. Orders Served	95	85	103	78	90	99	109	112	100	103	198		1,172	1,063
Consent Orders	280	222	297	279	296	260	306	322	270	186	292		3,010	2,627
Administrative Orders	85	43	61	50	52	51	43	73	72	73	32		635	579
Clincher Conference Requested	105	99	104	108	111	100	81	120	98	123	131		1,180	1,262
Informal Conference Requested	378	324	355	381	339	279	386	406	387	421	402		4,058	4,221
Informal Conference Conducted	247	252	231	200	298	201	197	246	186	252	225		2,535	2,901
Regulatory Mediations	81	66	81	79	56	73	95	66	80	75	60		812	971
Requested Mediations	45	23	33	22	23	16	30	29	23	14	27		285	240
Ordered Mediations	0	4	4	1	0	3	3	1	1	0	1		18	9
Mediation Resolved	46	59	70	44	56	73	45	66	63	59	59		640	726
Mediation Impasse	28	23	34	10	12	25	16	19	19	10	23		219	247
Mediation Held; Issues Pending	0	0	0	2	0	0	0	0	1	0	0		3	5
Claim Settled Prior to Mediation	14	11	25	13	17	8	35	8	17	11	17		176	192
Mediation Not Complete in 60 days	14	5	16	9	7	1	16	6	2	3	9		88	81

Informal Conf. Conducted

FY 14-15 FY 15-16

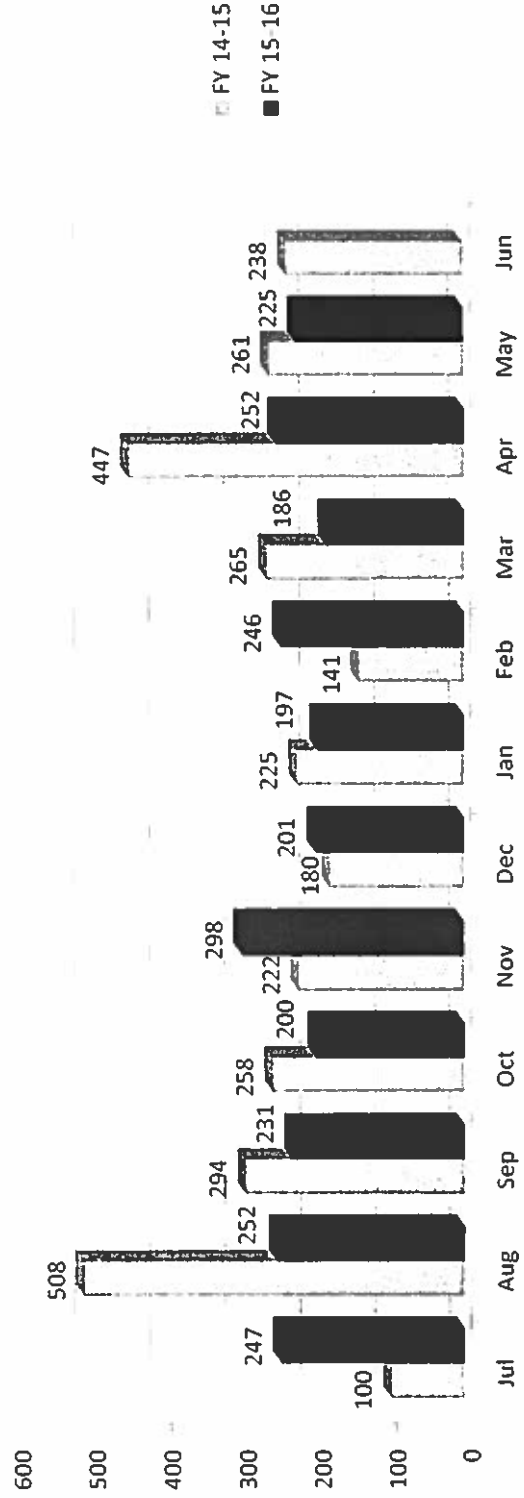
Jul	100	247
Aug	508	252
Sep	294	231
Oct	258	200
Nov	222	298
Dec	180	201
Jan	225	197
Feb	141	246
Mar	265	186
Apr	447	252
May	261	225
Jun	238	
Total	3139	2535

IC's to Date v. Prior



FY 14-15 FY 15-16

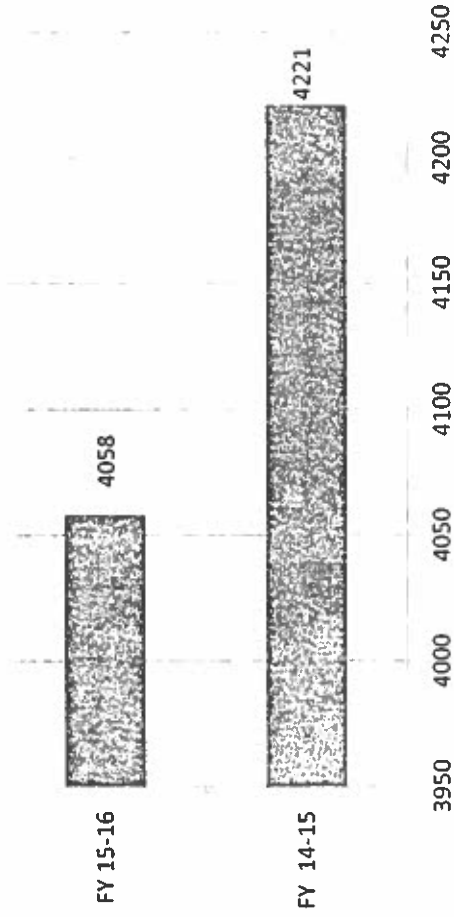
Y-T-D 2901 2535



Informal Conf. Requested

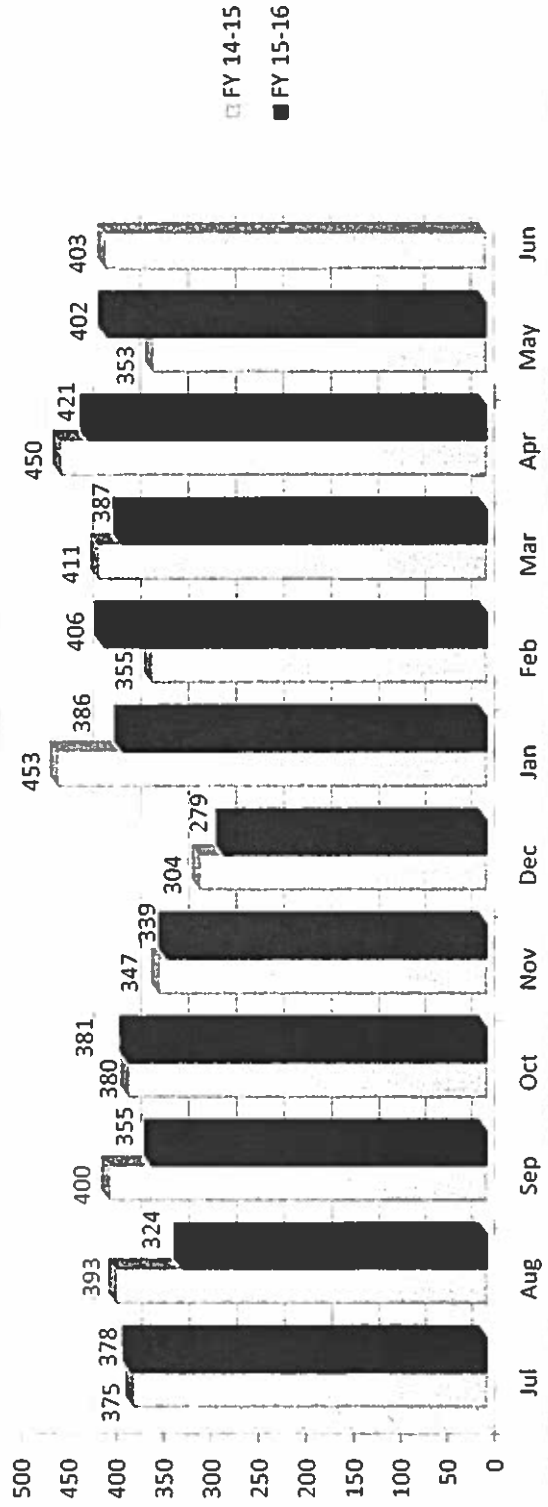
	FY 14-15	FY 15-16
Jul	375	378
Aug	393	324
Sep	400	355
Oct	380	381
Nov	347	339
Dec	304	279
Jan	453	386
Feb	355	406
Mar	411	387
Apr	450	421
May	353	402
Jun	403	
Total	4624	4058

Y-T-D



FY 14-15 **4221**
 FY 15-16 **4058**

Y-T-D



State of South Carolina

1333 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
www.wcc.sc.gov

Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

June 16, 2016

Commissioner Reappointment

On June 3, 2016 the Senate confirmed the reappointment of Commissioner Beck as Chairman for a term beginning June 30, 2016 through June 30, 2018.

FY 2016-17 Budget

The Budget Conference Committee approved the Commission's budget request for FY16-17, less \$21,000 for the part time temporary law clerks. The General Assembly approved a 3.25% increase in salary for state employees and a .5% increase for the employee and employer contributions for State Retirement.

Office Renovations

Phase I of the office renovations are near completion. Phase II construction began June 14. Projected completion date is August 18.

Claims Administration Workshop, May 20, 2016

Staff conducted a Claims Administration Workshop on Friday, May 20. A total of 116 stakeholders and 16 staff members participated. Twenty-eight (28) attorneys each received a total of five (5) CLE credit hours.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- May 25 – Presentation at State Accident Fund Employers' Meeting held at S.C. Department of Archives and History
- May 26 – Attended the NCCI 2016 State Advisory Forum, Hilton Inn, Columbia
- May 27 – Participated in Division of State Human Resources (DSHR) training
- June 14 – Along with Chairman Beck, gave a presentation at the Risk & Insurance Management Society (RIMS) Chapter educational meeting in Greenville, SC

Employee Meetings

The Employee Appreciation Luncheon was held on Monday, May 16, at which time Kellie Lindler was awarded the 2015 Employee of the Year.

Personnel

Coverage & Compliance Director

Three candidates were interviewed on May 12, 2016 for the Coverage & Compliance Director position. Mr. Harry Bracy was selected for the position. June 2, 2016 was his first day of employment. Mr. Bracy was previously employed by the Attorney General's Office where he worked as an investigator since 1981.

Administrative Specialist II

Recruiting began for an Administrative Specialist II position in the Coverage & Compliance Division on May 18, 2016. Eighty individuals submitted applications. Interviews were scheduled with three candidates on June 6, 2016. Miss Libby Crawford was selected for the position. June 13 was her first day of employment.

On Monday, June 13, Breanne Jolly, Administrative Assistant, IMS, tendered her resignation from the Commission to accept a position with the State Accident Fund. June 24 will be her last day working with the Commission.

Constituent /Public Information Services

For the period May 11, 2016 through June 14, 2016 the Executive Director's Office and the General Counsel's office had 470 contacts with various system constituents and stakeholders. The contacts included telephone communications; electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners; and letters with congressional offices.

SCWCC Stakeholder Electronic Distribution List

For the period May 11, 2016 through June 14, 2016, we added three individuals to the distribution list. A total of 620 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported 9 referrals for the month of May, and 91 referrals year to date.

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
May 2016 - Period 11

Expenditures

Bench:	91.6%	Annual		Annual	May	Year to Date	Budget	Apr	Annual
		Budget	Amend	Final	Spend	Spend	Remaining	Spend %	Spend %
Commissioners									
Personnel GA		1,134,849	19,314	1,154,163	47,593	1,052,085			
Personnel EM		-	-	-	-	-			
Ttl Pers		1,134,849	19,314	1,154,163	47,593	1,052,085	102,078	8%	91%
GA - Expense		-	-	-	-	-			
EM - Exp Tax Subst		55,000	-	55,000	3,984	55,455			
EM - Expense		230,700	-	230,700	20,993	229,284			
Ttl Expense		285,700	-	285,700	24,977	284,739	961	13%	100%
Total Comm		\$ 1,420,549		\$ 1,439,863	\$ 72,570	\$ 1,336,824	\$ 103,039	9%	93%

Administration

Personnel GA	146,007	1,600	147,607	6,378	141,914				
Personnel EM	606,119	19,973	626,092	17,412	382,418				
Ttl Pers	752,126		773,699	23,790	524,332	249,367	6%	68%	
Expense GA	75,000		75,000		43,155				
Expense EM	1,000,649		1,000,649	89,047	946,423				
Ttl Expense	1,075,649		1,075,649	89,047	989,578	86,071	7%	92%	
Total Admin	\$ 1,827,775		\$ 1,849,348	\$ 112,837	\$ 1,513,910	\$ 335,438	6%	82%	

Claims

Personnel GA	77,223	800	78,023	3,188	70,925				
Personnel EM	272,010	5,600	277,610	12,275	286,004				
Ttl Pers	349,233		355,633	15,463	358,929	(3,296)	9%	101%	
Expense GA			-		-				
Expense EM	19,700		19,700	1,738	16,707				
Ttl Expense	19,700		19,700	1,738	16,707	2,993	4%	85%	
Total Claims	\$ 368,933		\$ 375,333	\$ 17,201	\$ 375,636	\$ (303)	9%	100%	

IMS

Personnel GA	26,632	800	27,432	1,110	25,212				
Personnel EM	467,881	7,200	475,081	21,388	484,399				
Ttl Pers	494,513		502,513	22,497	509,611	(7,098)	9%	101%	
Expense GA			-		-				
Expense EM	54,500		54,500	4,443	59,629				
Ttl Expense	54,500		54,500	4,443	59,629	(5,129)	5%	109%	
Total IMS	\$ 549,013		\$ 557,013	\$ 26,940	\$ 569,240	\$ (12,227)	9%	102%	

Judicial

Personnel GA	29,267		29,267		-				
Personnel EM	292,779	6,400	299,179	13,679	307,335				
Ttl Pers	322,046		328,446	13,679	307,335	21,111	8%	94%	
Expense GA			-		-				
Expense EM	12,800		12,800	816	10,398				
Ttl Expense	12,800		12,800	816	10,398	2,402	2%	81%	
Total Judicial	\$ 334,846		\$ 341,246	\$ 14,495	\$ 317,733	\$ 23,513	8%	93%	

Employer Contribution

GA	496,796	24,805	521,601	18,791	406,903				
EM	559,928	7,920	567,848	13,179	517,124				
Ttl Fringe	\$ 1,056,724		\$ 1,089,449	\$ 31,970	\$ 924,027	\$ 165,422	8%	85%	

Total Agency

Ttl GA	1,985,774	47,319	2,033,093	77,060	1,740,194	292,899	10%	86%
Ttl EM	3,572,066	47,093	3,619,159	198,954	3,241,721	377,438	7%	90%
GF Carry Fwd	-	-	-	-	-	-	0%	0%
Total Agency	\$ 5,557,840	\$ 94,412	\$ 5,652,252	\$ 276,014	\$ 4,981,915	\$ 670,337	8%	88.1%

Summary of Fiscal Activity - May 2016

As of the close of May 2016, the Commission's overall fiscal performance vs budget is as follows:

Total Expenses Incurred:	88.1% of budget
Gen Appropriation Received:	85.6% of budget
Earmarked Revenue Earned:	92.1% of budget
Draw on Fund Balance:	89% of budget
	(benchmark 88.1%)

Operational Funding

The Workers' Compensation Commission derives its operational funding from three sources: General Fund Appropriation; Earmarked Funds (earned revenue); and Appropriated Fund Balance. The Commission's Fund Balance is supported by the retention of the greater of one-half of Self Insurance Tax receipts or \$2.2m.

For May 2016, the Commission's operational funding of \$276,014 was received as follows:

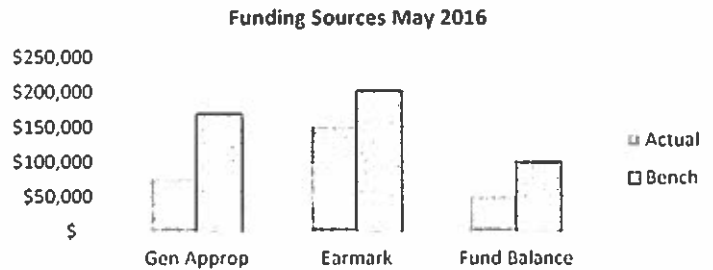
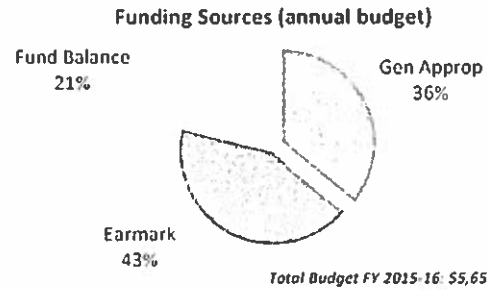
General Fund Appropriation:	\$ 77,060
Earmarked Funds:	\$ 149,570
Fund Balance:	\$ 49,384
Self Insurance Tax Received:	
May 2016:	\$ 159,483.66
FY15-16 (YTD):	\$ 4,839,100.67

Operational Expenditures

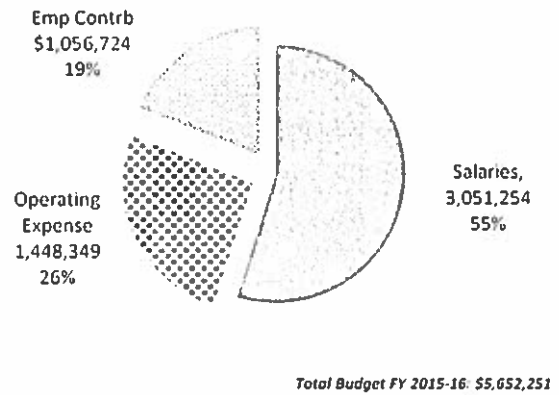
The Workers' Compensation Commission has budgeted expenditures for FY 2015-16 in the amount of \$5,652,251, of which 74% is personnel related.

Total expenditures for May 2016: \$276,014.

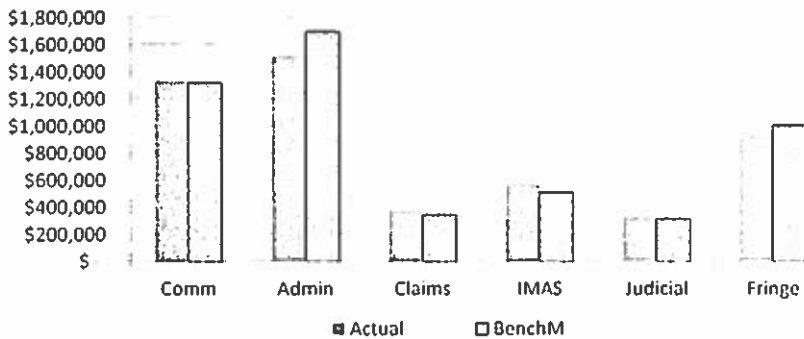
Commissioners:	\$ 72,570
Administration:	\$ 112,837
Claims:	\$ 17,201
Judicial:	\$ 14,495
IMAS:	\$ 26,940
Fringe:	\$ 31,970



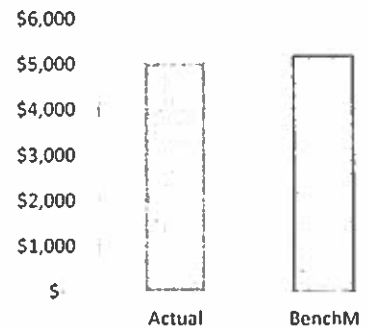
FY 2015-16 Expenditure Budget



Year to Date Expenditures by Department



Total Expenditures YTD



South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
May 2016 - Period 11

Funding and Appropriations

Period 11

Annual Budget	Amend	Annual Final	May Received	Year to Date Received	Budget Remaining	Mar Rcvd %	Annual Rcvd %
\$ 1,985,774	\$ 47,319	\$ 2,033,093	\$ 77,060	\$ 1,740,194	292,899	9.7%	85.6%

General Fund Approp

Earmarked Funds

Training Reg Fee	5,000	\$ 5,000	540	\$ 2,490	2,510		
Sale - Pubs/Subscript	8,000	\$ 8,000	3540	\$ 8,140	(140)		
Award Review Fee	73,000	\$ 73,000	2825	\$ 31,775	41,225		
Sale of Photocopies	88,000	\$ 88,000	6272	\$ 69,333	18,667		
WC Violation Fee	1,660,000	\$ 1,660,000	89948	\$ 1,559,821	100,179		
Listings and Labels	25,000	\$ 25,000	1830	\$ 16,055	8,945		
WC Hearing Fee	562,000	\$ 562,000	44275	\$ 516,224	45,776		
Parking	5,900	\$ 5,900	258	\$ 5,295	605		
Other	2000	\$ 2,000	82	\$ 26,683	(24,683)		
Ttl Earmarked Funds	\$ 2,428,900	\$ 2,428,900	\$ 149,570	\$ 2,235,816	\$ 193,084	9.5%	92.1%

Appro EM Fund Balance
 GF Carry Forward

\$ 1,143,166	\$ 47,093	\$ 1,190,259	\$ 49,384	\$ 1,061,360	128,899		
	\$ -	\$ -		\$ -	-		
Total Funding	\$ 5,557,840	\$ 5,652,252	\$ 276,014	\$ 5,037,370	\$ 614,882		